



BOARD OF EQUALIZATION

PROPERTY TAX COMMITTEE MEETING MINUTES

HONORABLE MICHELLE STEEL, COMMITTEE CHAIR

450 N STREET, SACRAMENTO

DECEMBER 15, 2009 - 9:30 A.M.

ACTION ITEM**Agenda Item No: 1****Title:**

Offset Lithographic Printing Presses – Business Property Assessment Practices Guidelines

Issue:

What valuation factors for offset lithographic printing presses should the State Board of Equalization (Board) adopt for inclusion in Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*?

Committee Discussion:

Committee Chair Steel opened the Committee meeting by introducing the agenda item and asked staff to give a report on the issue.

Mike Harris, Principal Property Appraiser, County-Assessed Properties Division, gave the Committee an overview of the valuation study and a description of the offset lithographic printing presses team's recommendation.

Dr. Gerry Bonetto, Vice President, Printing Industry Association of California, and Johan Klehs, Johan Klehs & Company, addressed the Committee and requested that the valuation factors developed by the team and recommended by Board staff in Issue Paper 09-008 be adopted.

Committee Chair Steel and Board Member Yee thanked the staff for their diligence and work with the team on the project.

Committee Action:

Member Yee made a motion to adopt the recommended offset lithographic printing presses valuation factors as presented in Issue Paper 09-008. The motion was seconded by Member Horton. Without objection, the motion passed.

Agenda Item No: 2

Title:

Document Processors – Business Property Assessment Practices Guidelines

Issue:

What valuation factors for document processors should the Board adopt for inclusion in Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*?

Committee Discussion:

Committee Chair Steel introduced the agenda item and asked staff to give a report on the issue.

Mike Harris, Principal Property Appraiser, County-Assessed Properties Division, gave the Committee an overview of the valuation study and a description of the document processors team's recommendation. Mr. Harris told the Committee that Board staff will continue working with the team members to develop valuation factors for high-speed production printers which were not included in the current study. Staff anticipates that the valuation factors for high-speed production printers will be brought to the April 2010 Property Tax Committee meeting.

Committee Action:

Member Yee made a motion to adopt the recommended document processors valuation factors as presented in Issue Paper 09-006. The motion was seconded by Member Horton. Without objection, the motion passed.

Agenda Item No: 3

Title:

Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*

Issue:

Should the Board adopt and authorize publication of a revised Assessors' Handbook Section 581 (AH 581) for the 2010 lien date?

Committee Discussion:

Committee Chair Steel introduced the agenda item and asked staff to give a report on the issue.

Mike Harris, Principal Property Appraiser, County-Assessed Properties Division, gave the Committee an overview of the changes that were included in the revised handbook. Based on the action taken by the Committee on Agenda Items No. 1 and No. 2, the revisions to AH 581 include:

- (1) The results of the valuation factor study for offset lithographic printing presses.
- (2) The results of the valuation factor study for document processors.
- (3) The results of the nonproduction computer study which was adopted by the Board in April 2009.
- (4) The update to the equipment index and percent good factor tables.

Committee Action:

Member Leonard made a motion to adopt the 2010 revision of AH 581 as presented in Issue Paper 09-007, Alternative Number 4. The motion was seconded by Member Horton. Without objection, the motion passed.

Approved: /s/ Michelle Steel
Michelle Steel, Committee Chair

/s/ Ramon J. Hirsig
Ramon J. Hirsig, Executive Director

BOARD APPROVED

At the 12/16/09 Board Meeting

/s/ Diane G. Olson
Diane Olson, Chief
Board Proceedings Division